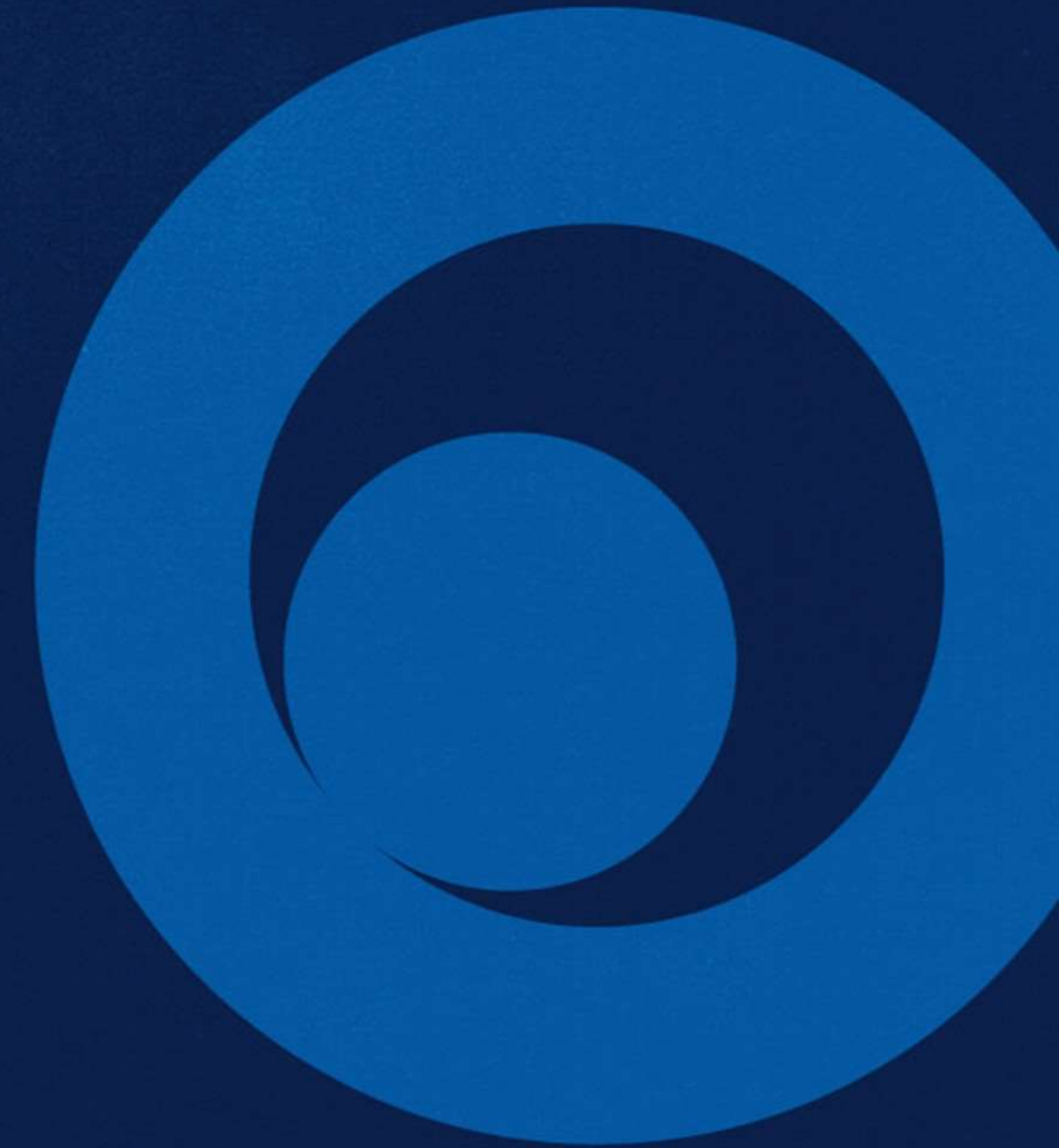




State of the Union & Outlook for 2023

Prepared for Branson Convention & Visitors Bureau

Delivered March 2023



THE CLOSEST TO THE CUSTOMER WINS.



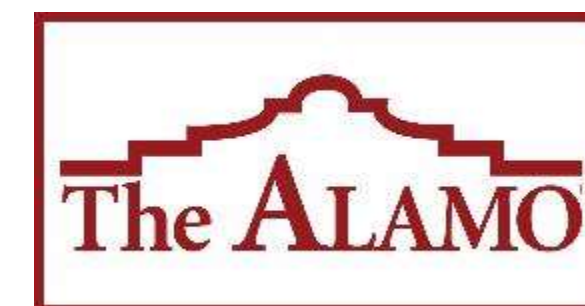


H2R MARKET RESEARCH

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Training Camps of



Project Overview

Purpose. The purpose of conducting the Branson Convention & Visitor Bureau's Traveler Profile Research is to provide area decision makers with a behavioral and demographic profile of travelers and Branson visitors to inform the area's strategic management and marketing decisions.

Target Audience. This study is conducted monthly using a General Population survey among a representative panel of consumers. The survey then screens for travelers and disaggregates those who visited Branson from those who have not.

Sample. A total of 4,004 traveler responses were generated. This level of response provides for a maximum margin of error of $\pm 1.5\%$ using a 95% confidence interval (and $\pm 3.4\%$ among the 685n Branson Visitors).

01. Key Performance Indicators

02. BRAND HEALTH

03. VISITOR PROFILE

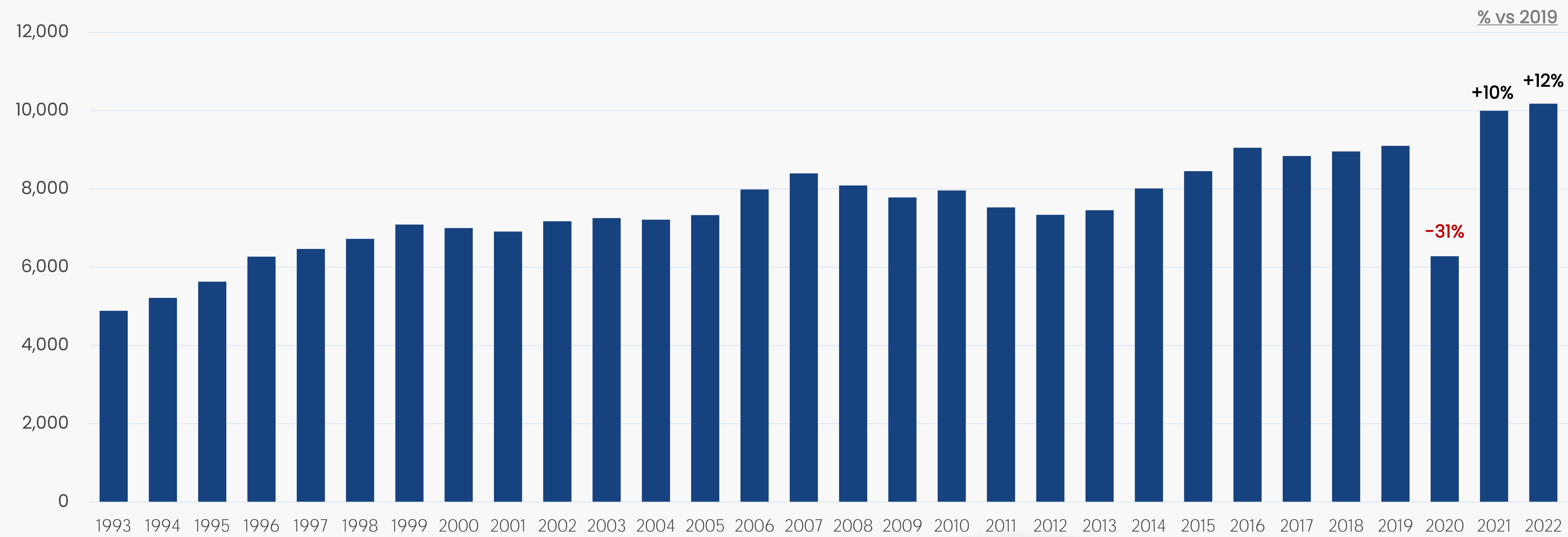
04. NON-VISITORS

05. OUTLOOK FOR 2023

5

Branson set a new performance record in 2022 reaching 10.2 million visitors, topping the post-pandemic record set just last year at 10 million.

History of Visitation to Branson (000s)*



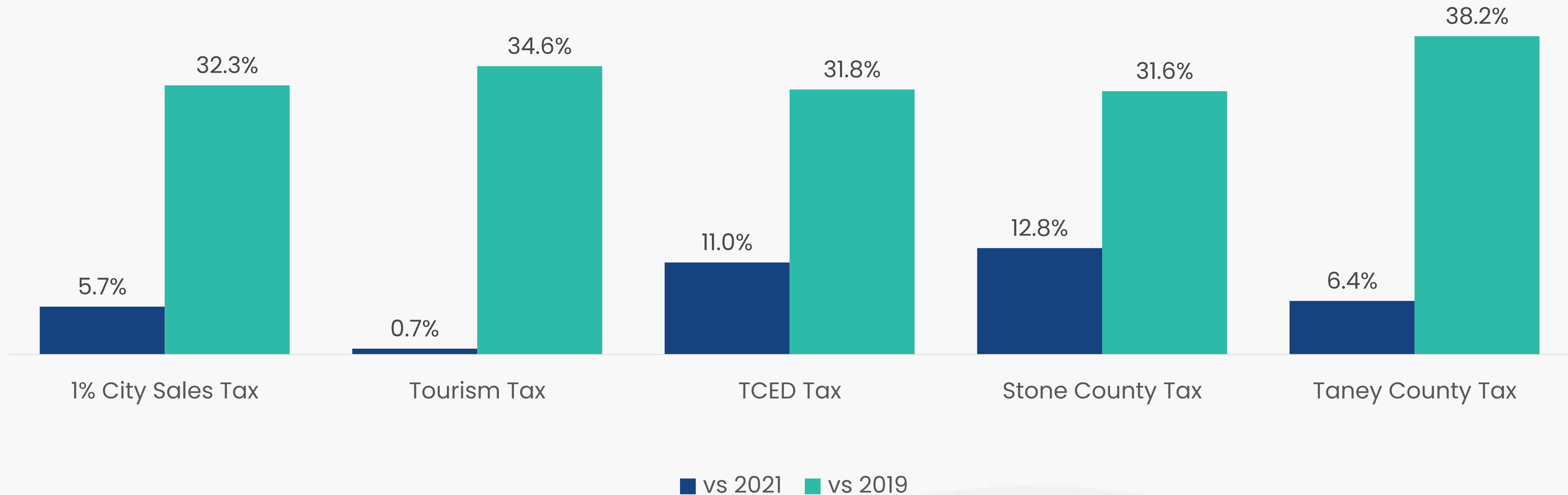
*Assumes Base=7.0M (2000, DKSA)
SOURCE: HISTORIC ECONOMETRIC MODEL

Weighted Algorithm: ((50% * Room Demand % Variance)+(20% * City 1% Sales Tax % Variance)+(10%* Tourism Tax % Variance)+(10%*Taney County Tax % Variance)+(10%*TCED Tax % Variance))
U.S. Inflation Rate averaged 8.0% or nearly 4X the 2.2% averaged recorded from 2022-2021.



Every empirical sales tax source measured across the region posted year-over-year increases in 2022 relative to both 2021 and 2019.

Area Tax Revenues – Variance to 2021 & 2019



01. KEY PERFORMANCE INDICATORS

02. Brand Health

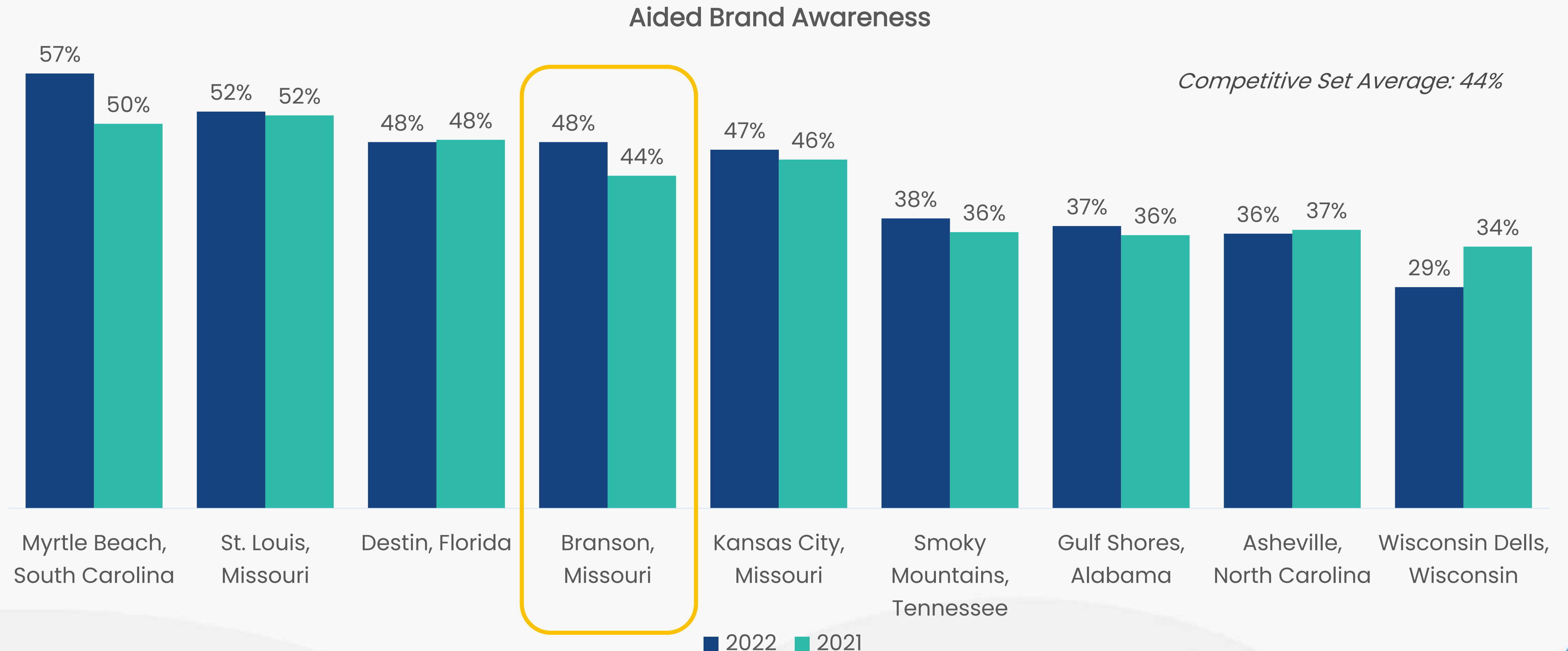
ALL RESPONDENTS | N=4,004

03. VISITOR PROFILE

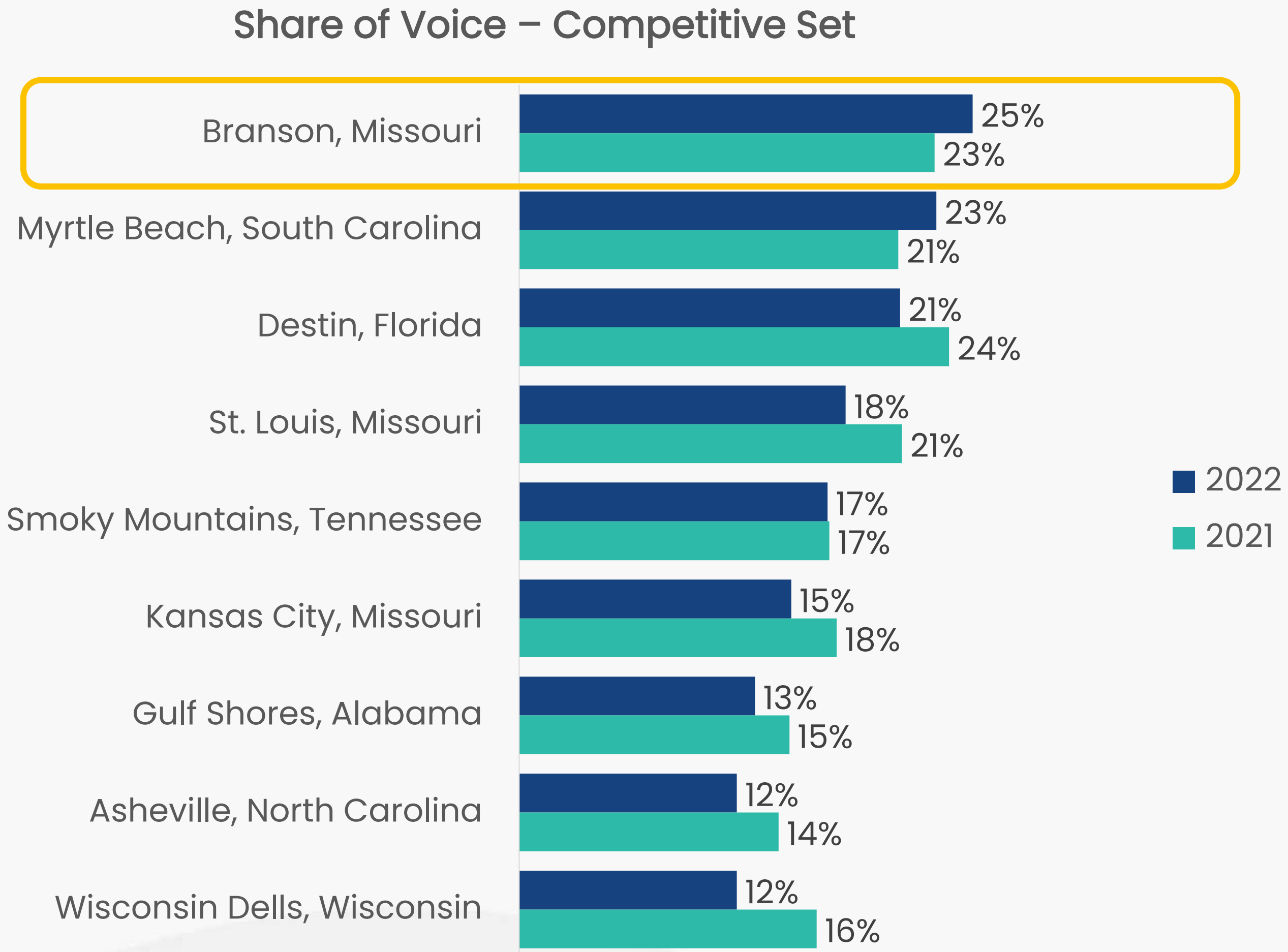
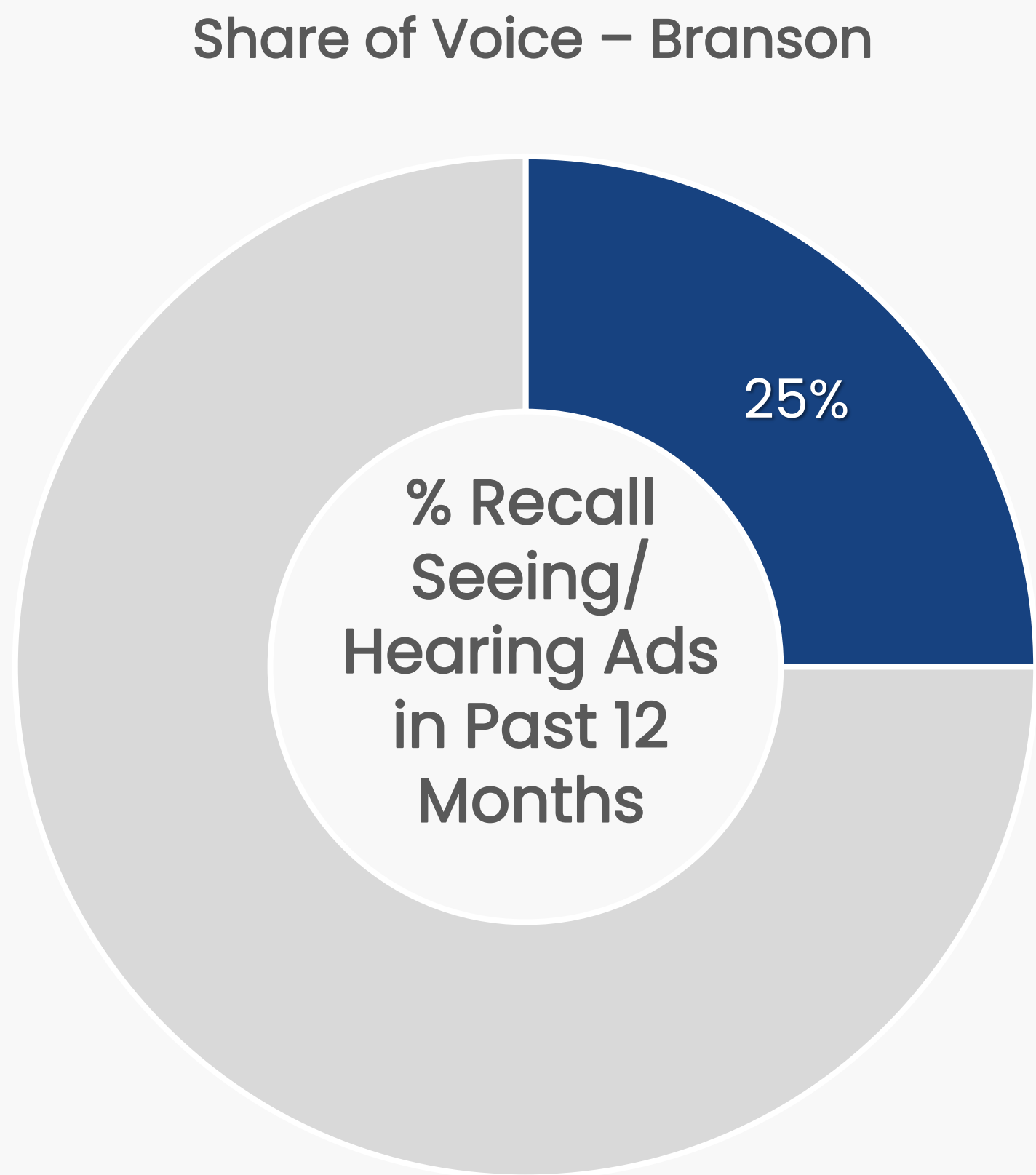
04. NON-VISITORS

05. OUTLOOK ON 2023

Nearly half (48%) of travelers indicate they are familiar with Branson as a travel destination, up from 44% in 2021 and higher than the competitive set average of 44%.



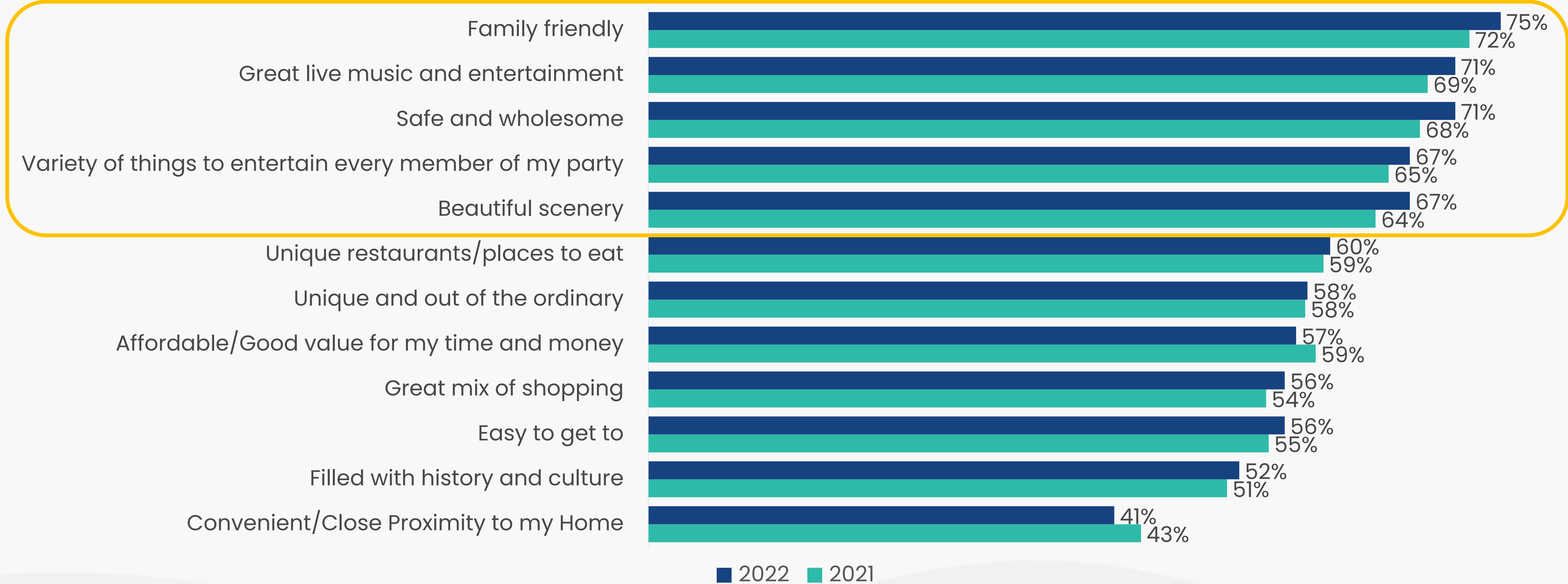
Branson earned the highest Share of Voice (assisted marketing awareness) among the competitive set at 25%, well above average (17%).



Competitive Set Average: 17%

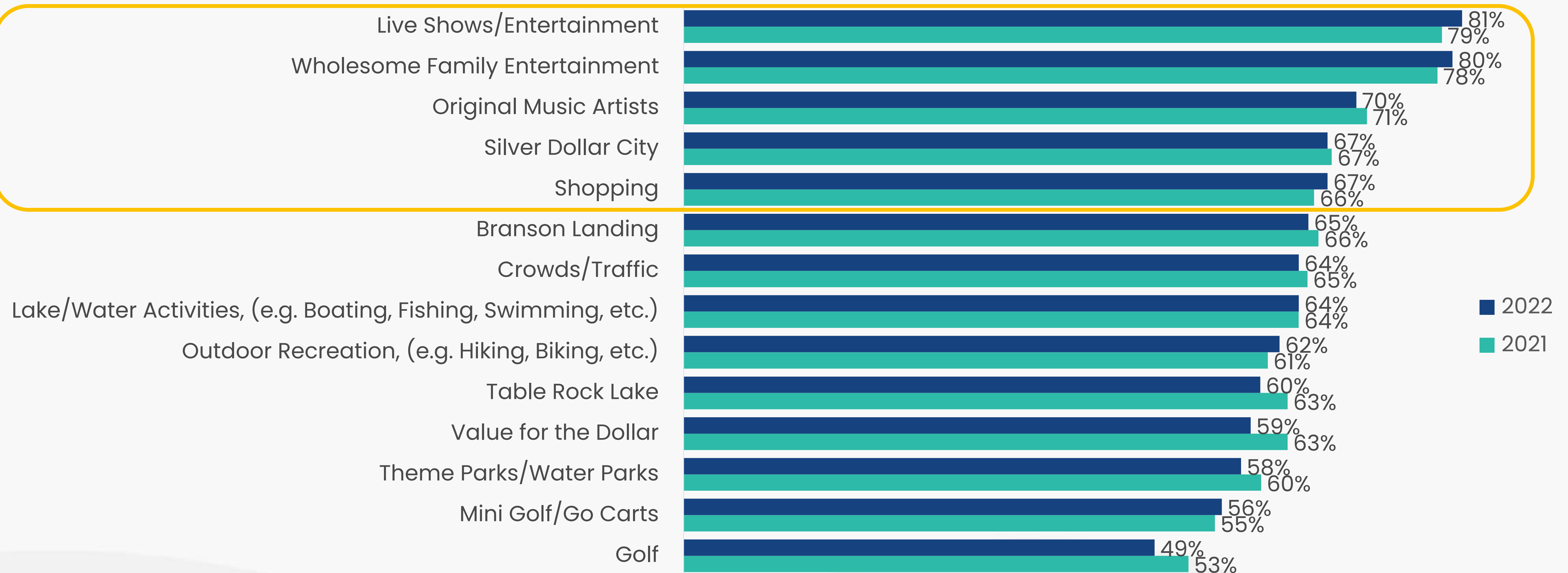
Branson is viewed as being a family friendly destination that has great live music and entertainment, provides a safe and wholesome environment, offers variety for all as well as beautiful scenery.

Branson Brand Attributes
% Describes Very well/Perfectly



The activities that travelers most associate with Branson are live shows/entertainment, wholesome family entertainment, original music artists, Silver Dollar City and shopping.

Activities Most Associated with Branson
% Somewhat Associate/Very Strong Association



01. KEY PERFORMANCE INDICATORS

02. BRAND HEALTH

03. Visitor Profile

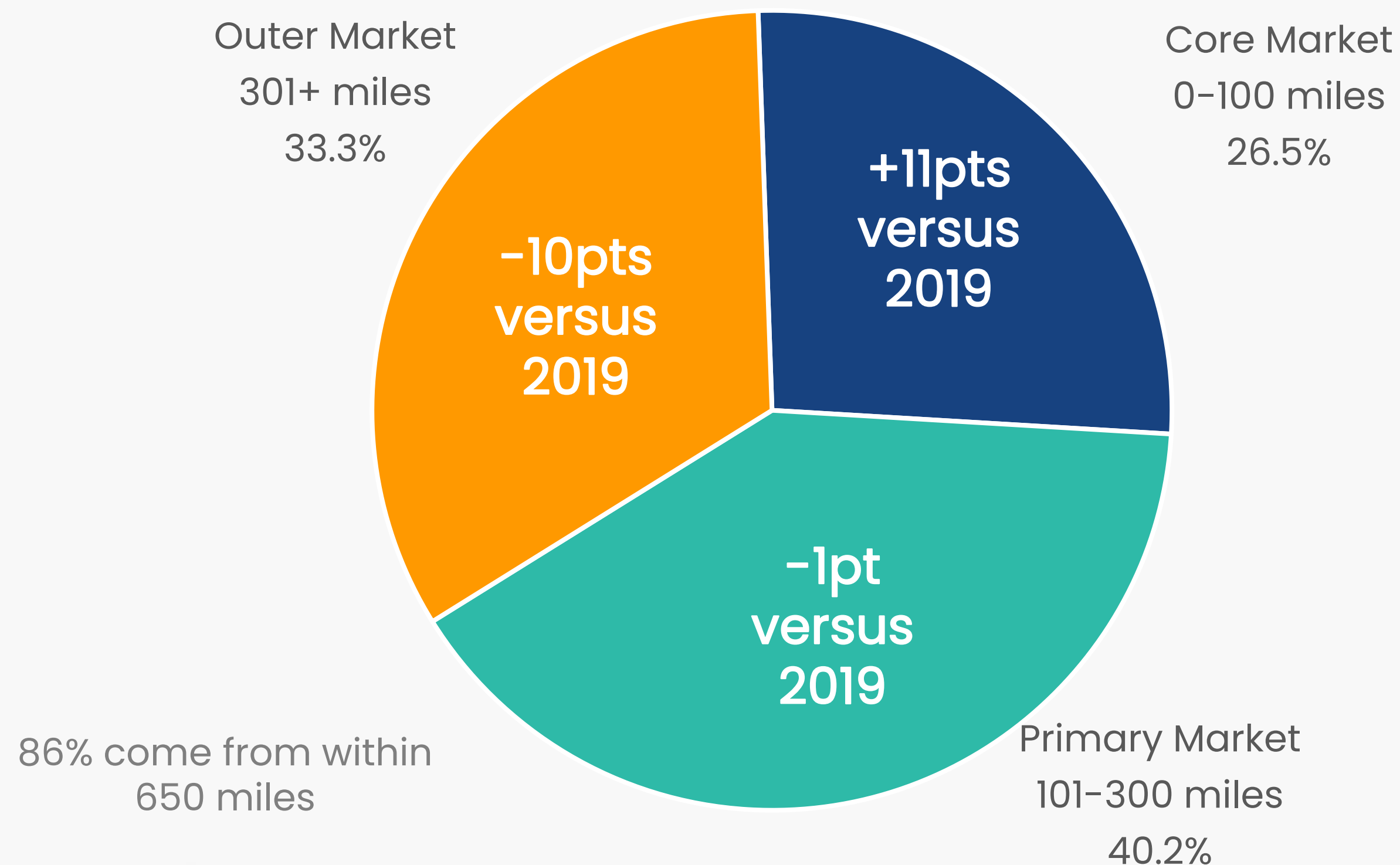
BRANSON VISITORS | N=685

04. NON-VISITORS

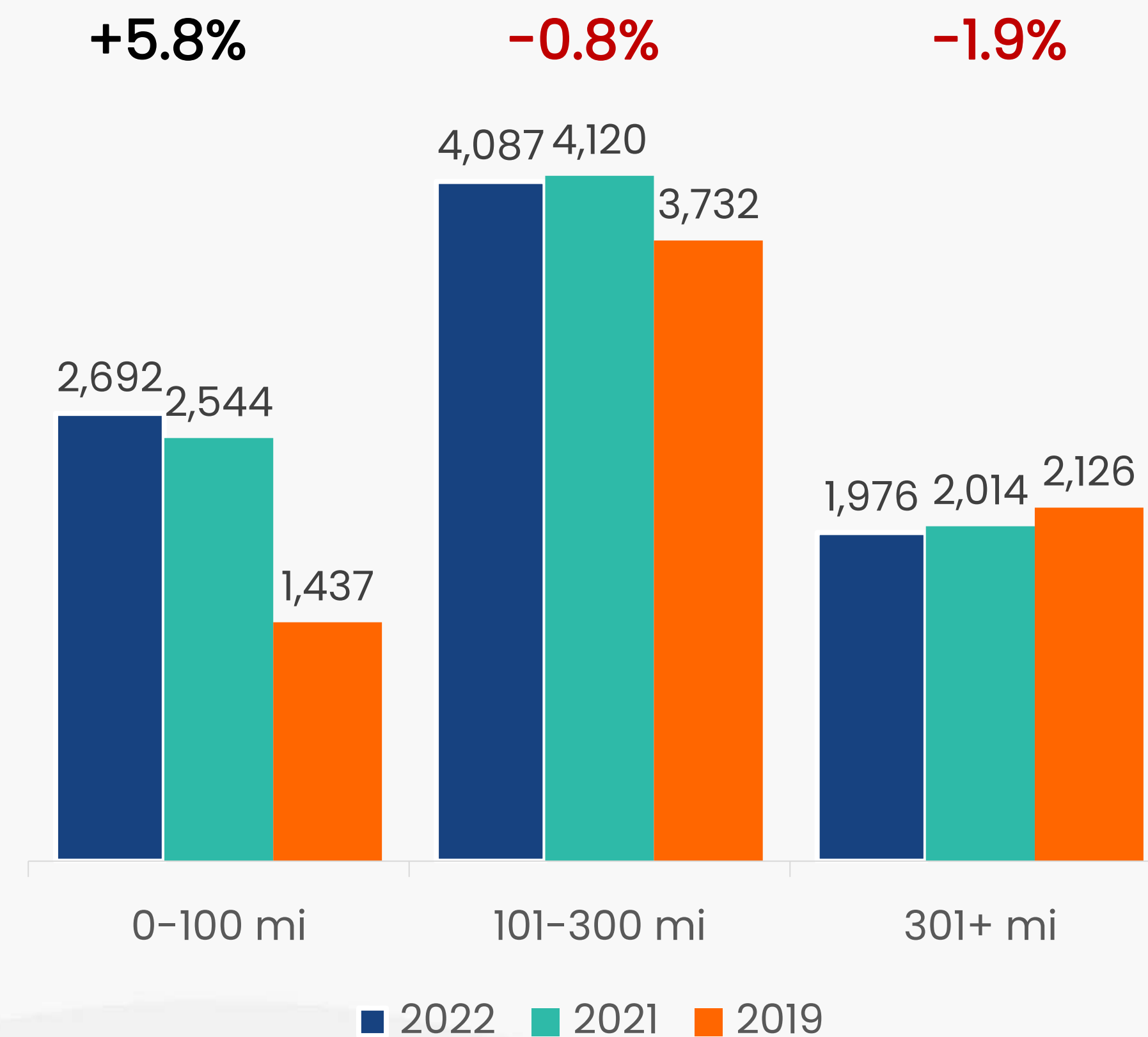
05. OUTLOOK ON 2023

Core market visitation remains well above pre-pandemic norms.

Distance Traveled to Branson

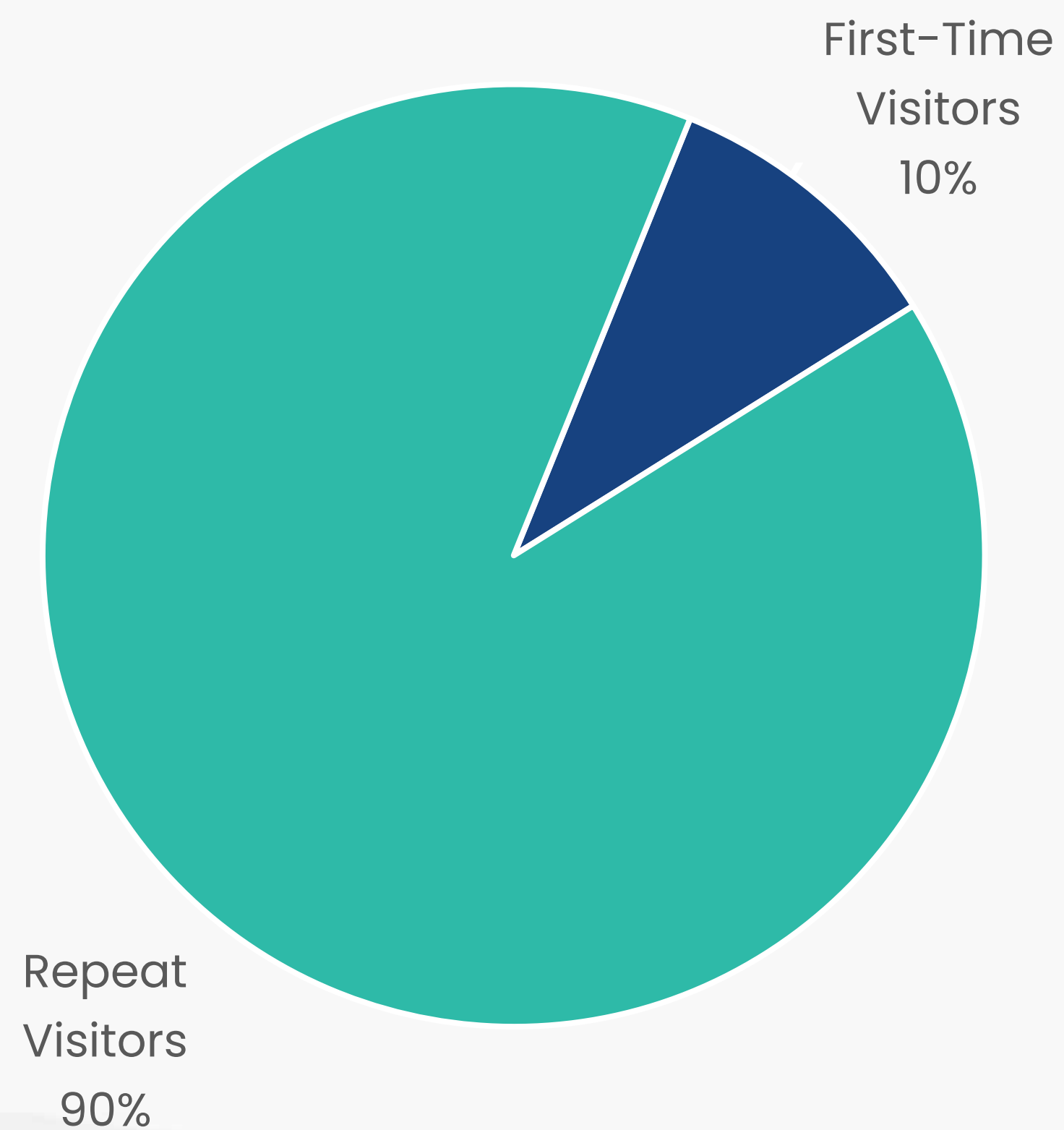


Visitation (000's) by Distance

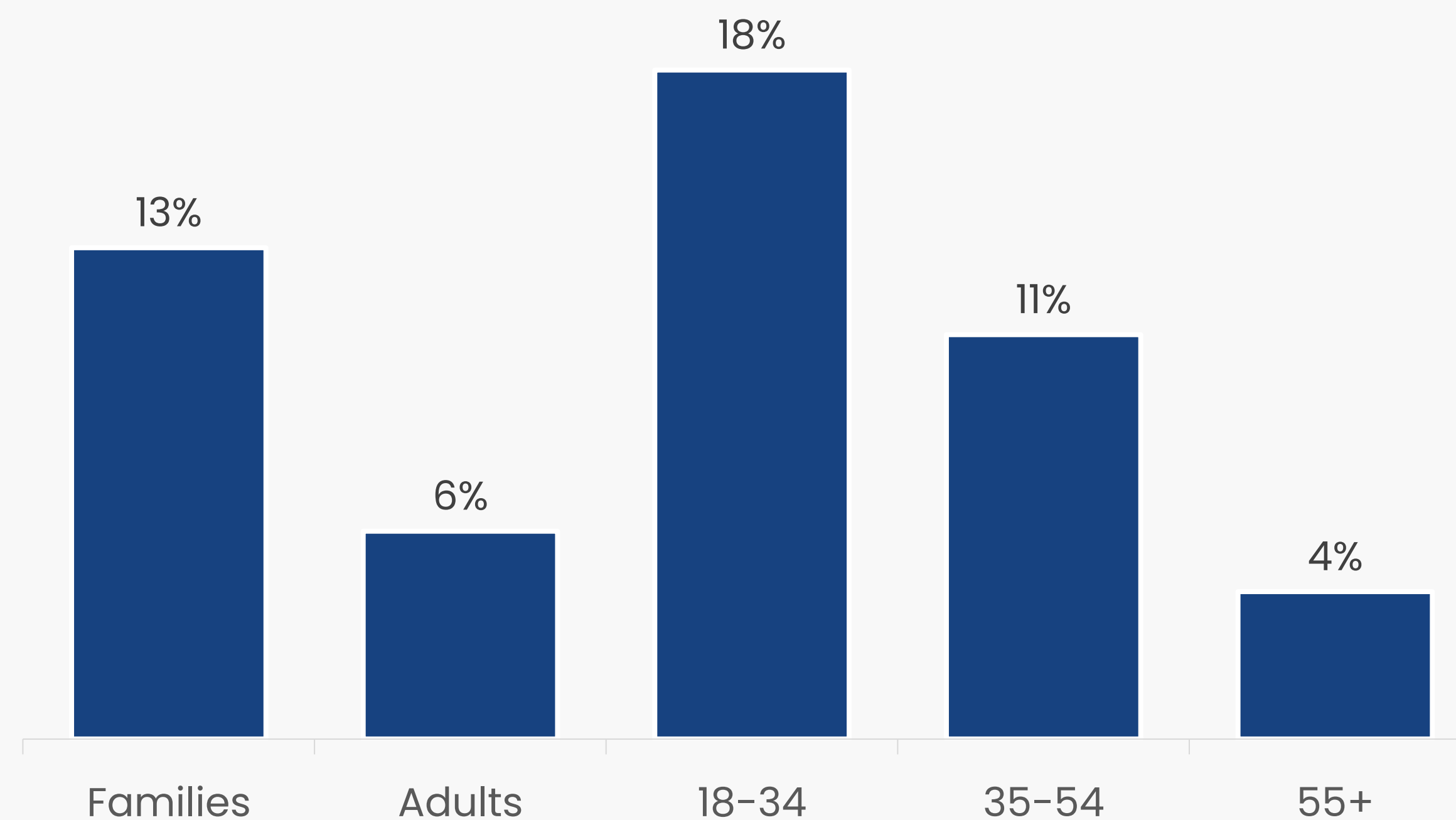


First-time visitation (10%) dropped slightly from 2021's 12%.

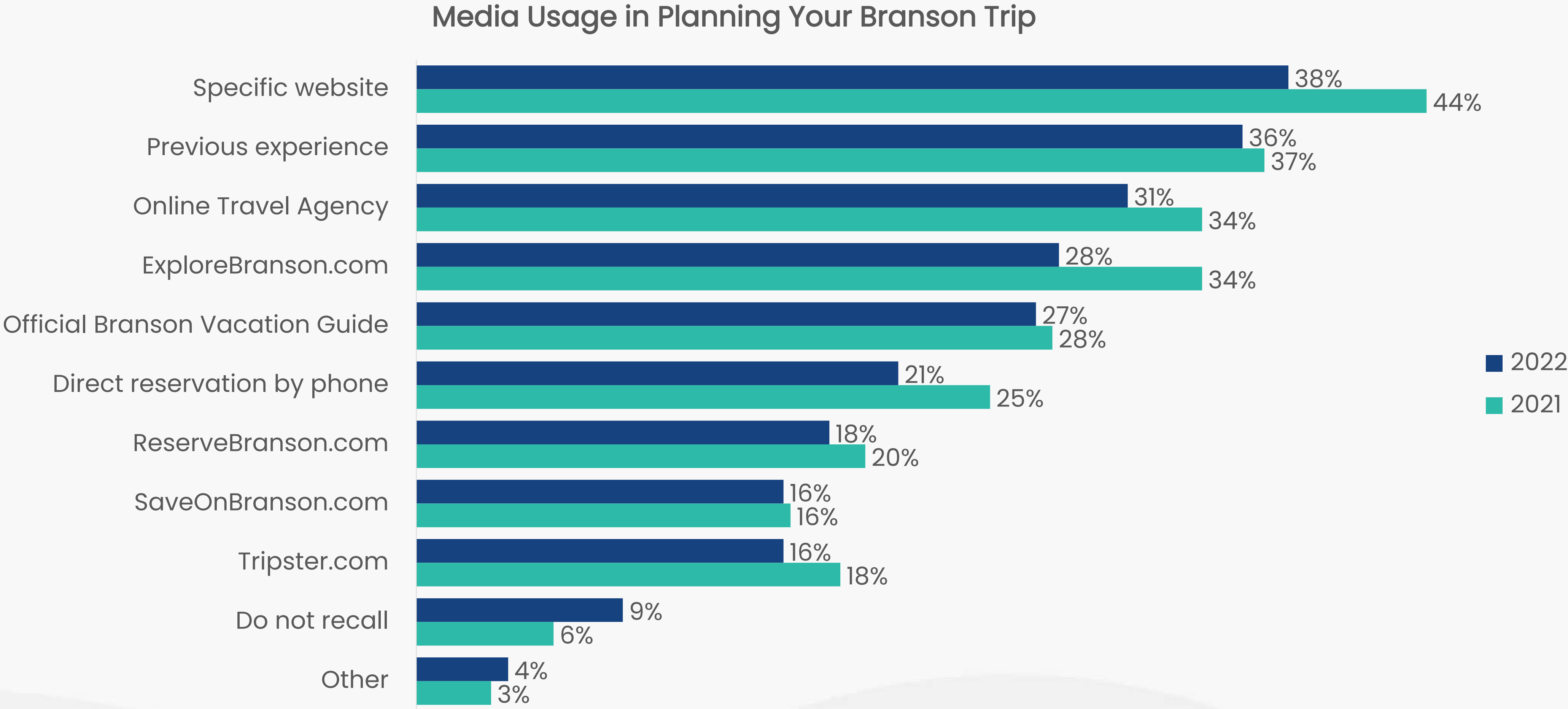
First-Time & Repeat Visitors



% First-Time Visitors by Niche

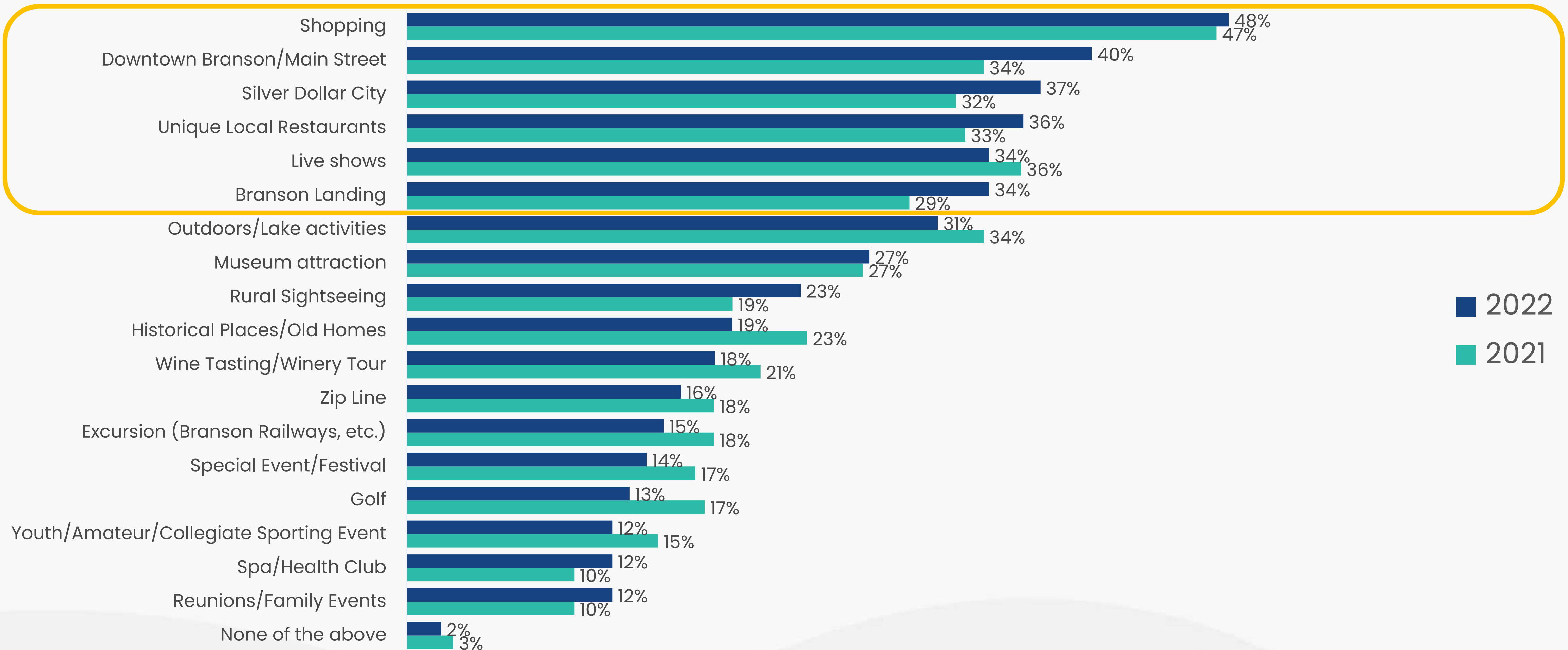


Most visitors still plan their trips by going directly to the websites of the places they want to visit, relying on previous experiences or using an online travel agency.



Branson visitors are most likely to report shopping, visiting downtown, Silver Dollar City, local restaurants and live shows.

Branson Activities Engaged In



Branson visitors report that of the activities in which they engaged, the functional drivers most responsible for inspiring trips include Silver Dollar City, live shows/entertainment and shopping.



27%

Silver Dollar City



21%

Live Shows/Entertainment

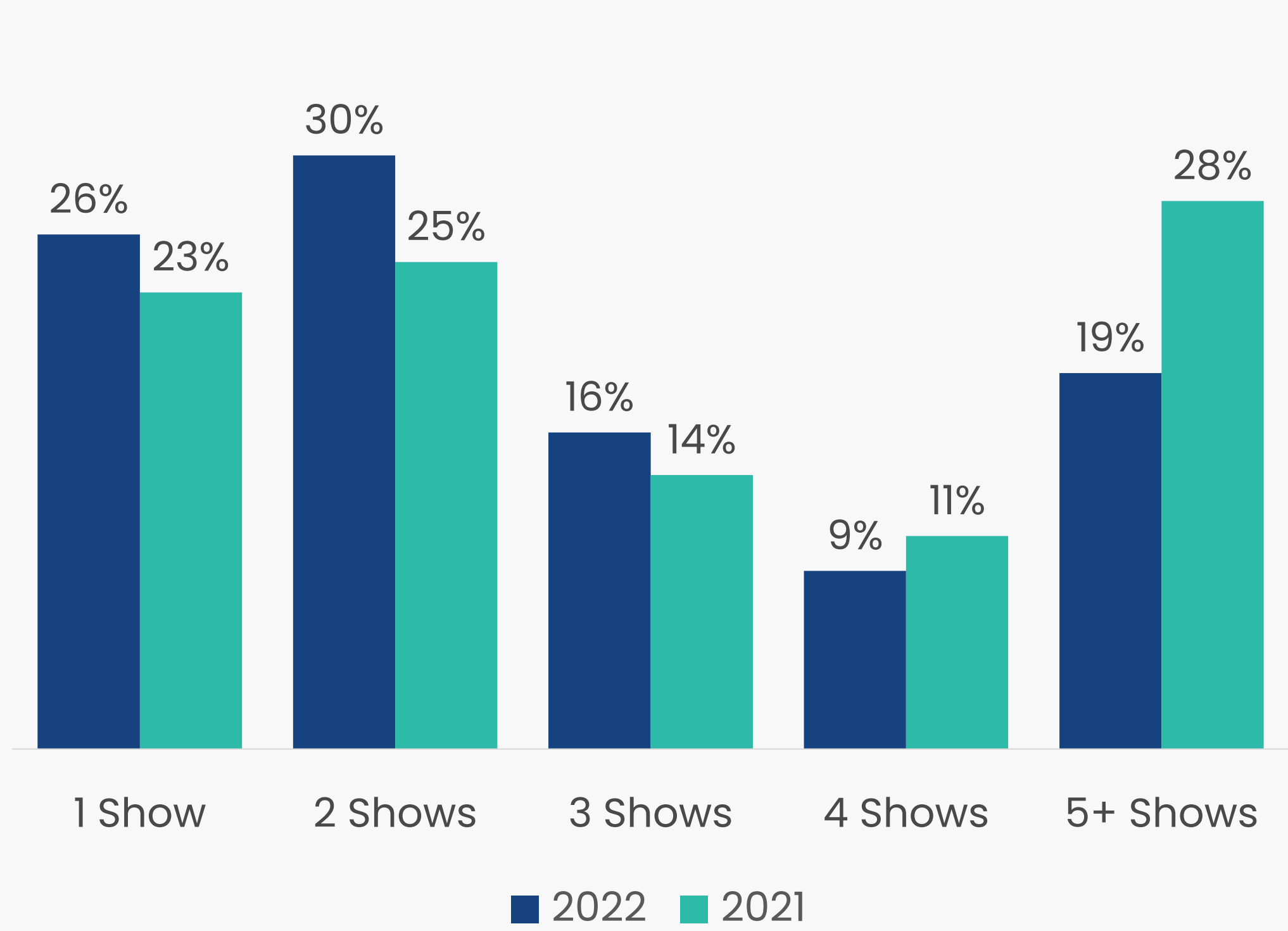


21%

Shopping

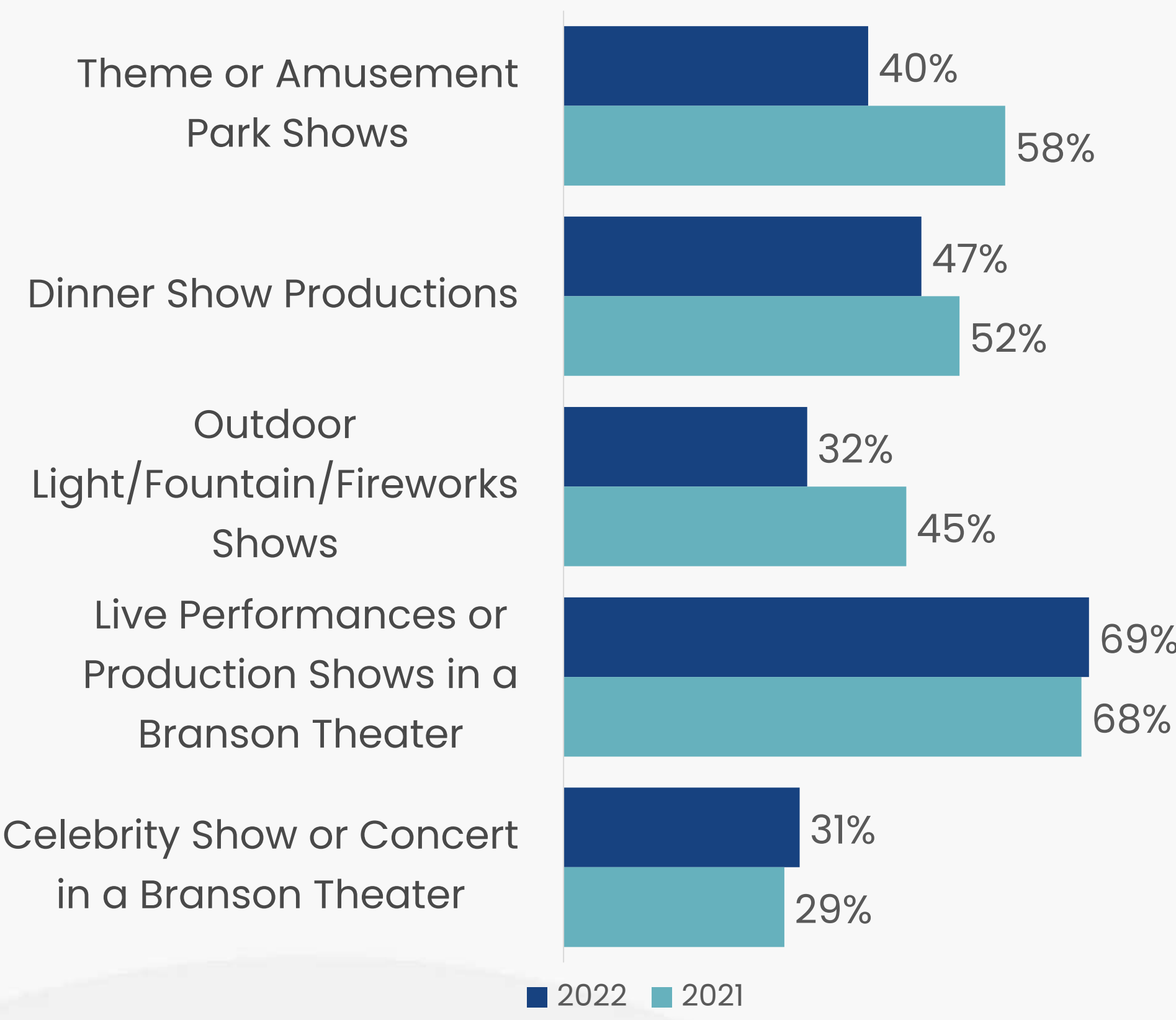
Those who attended shows in Branson reported seeing an average of 2.9 shows per party. These predominantly include live performances or production shows (69%), dinner shows (47%) or theme park shows (40%).

Number of Live Shows Seen on Last Visit

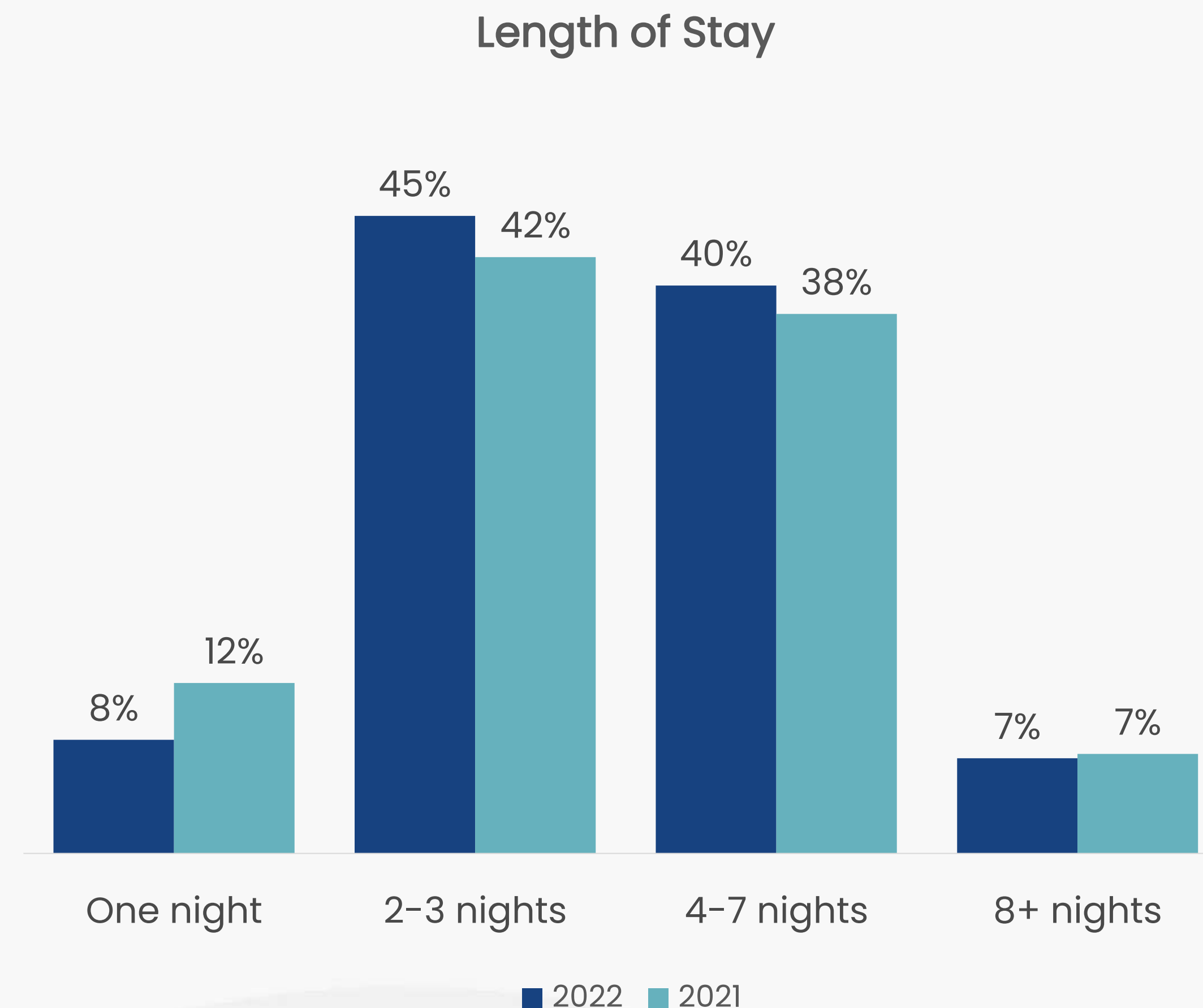
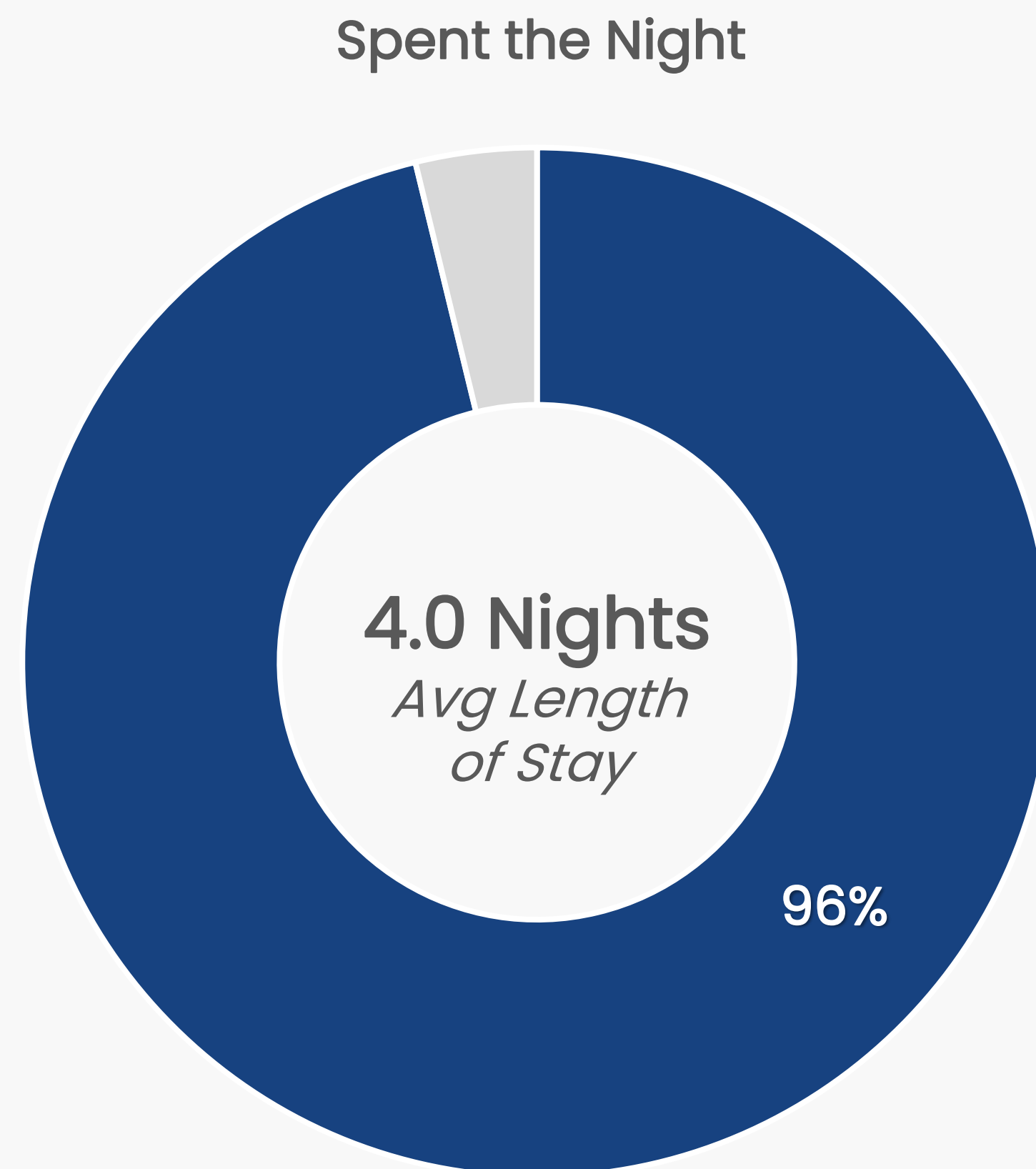


Average: 2.9 Shows per Party

Type of Shows Seen



Most Branson visitors spend the night and stay for an average of 4 nights in the area.



Branson visitors spent an average of \$1,007 per party which equates to \$362 per person and/or \$90 per person per day.



Party Trip Spending
\$1,007

2021: \$1,006

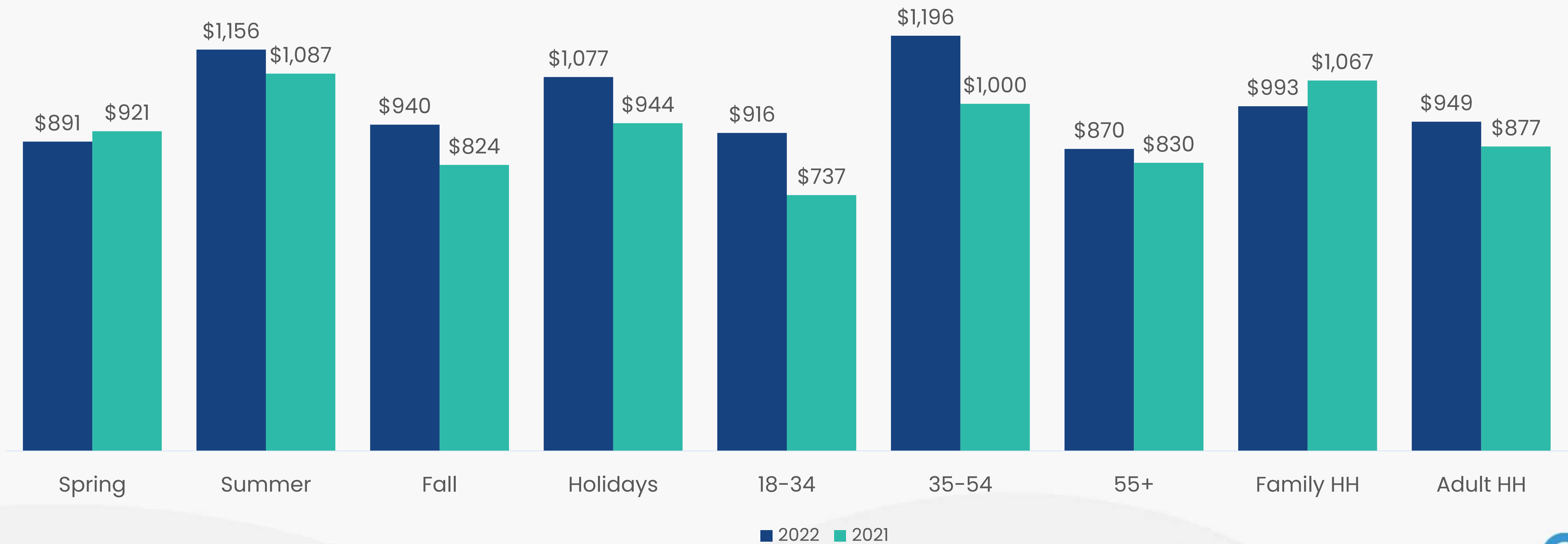


Per Person Trip Spending
\$362 per person
\$90 per person per day

2021: \$444 per person
\$109 per person per day

Visitors ages 35-54, summer visitors and families are the niches who tend to spend the most money in Branson.

Spending per Party by Visitor Segment



01. KEY PERFORMANCE INDICATORS

02. BRAND HEALTH

03. VISITOR PROFILE

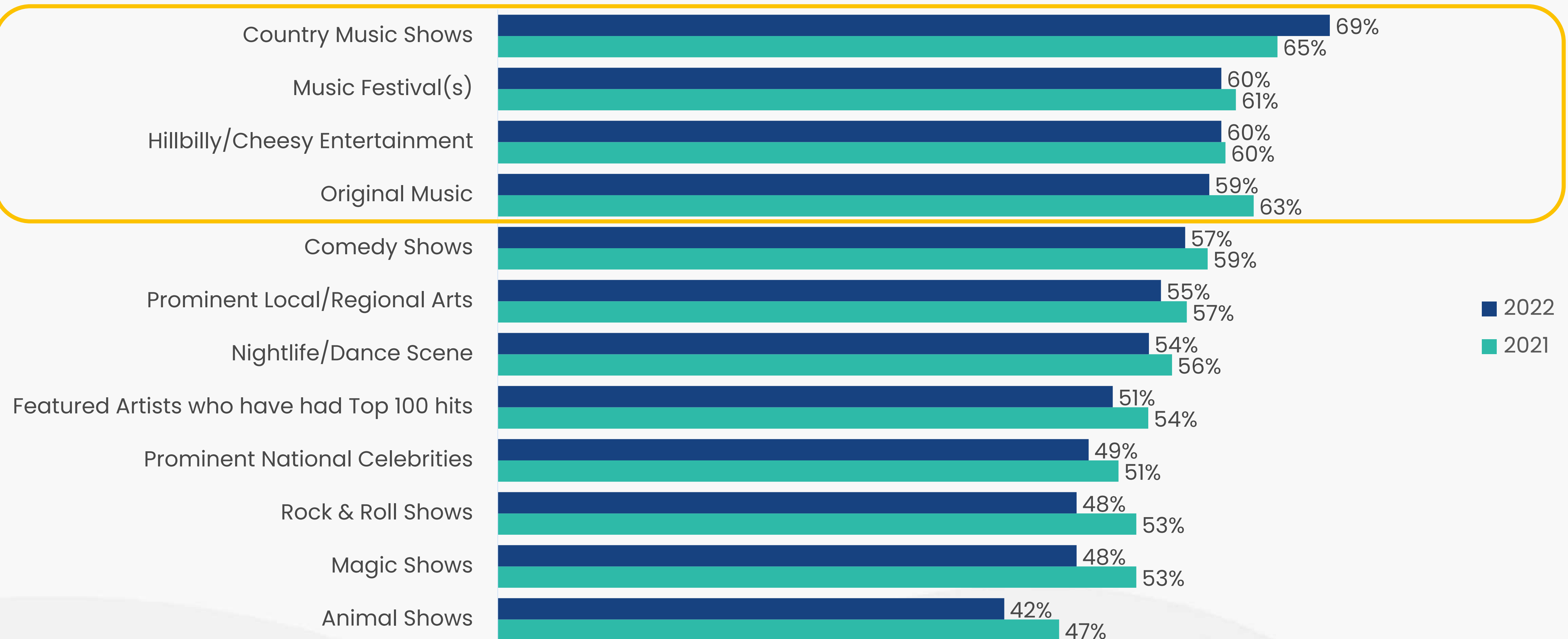
04. Non-Visitors

BRANSON NON-VISITORS | N=2,885

05. OUTLOOK ON 2023

Non-Visitors assume they would find country music shows, music festivals, original music artists and hillbilly/cheesy entertainment in Branson.

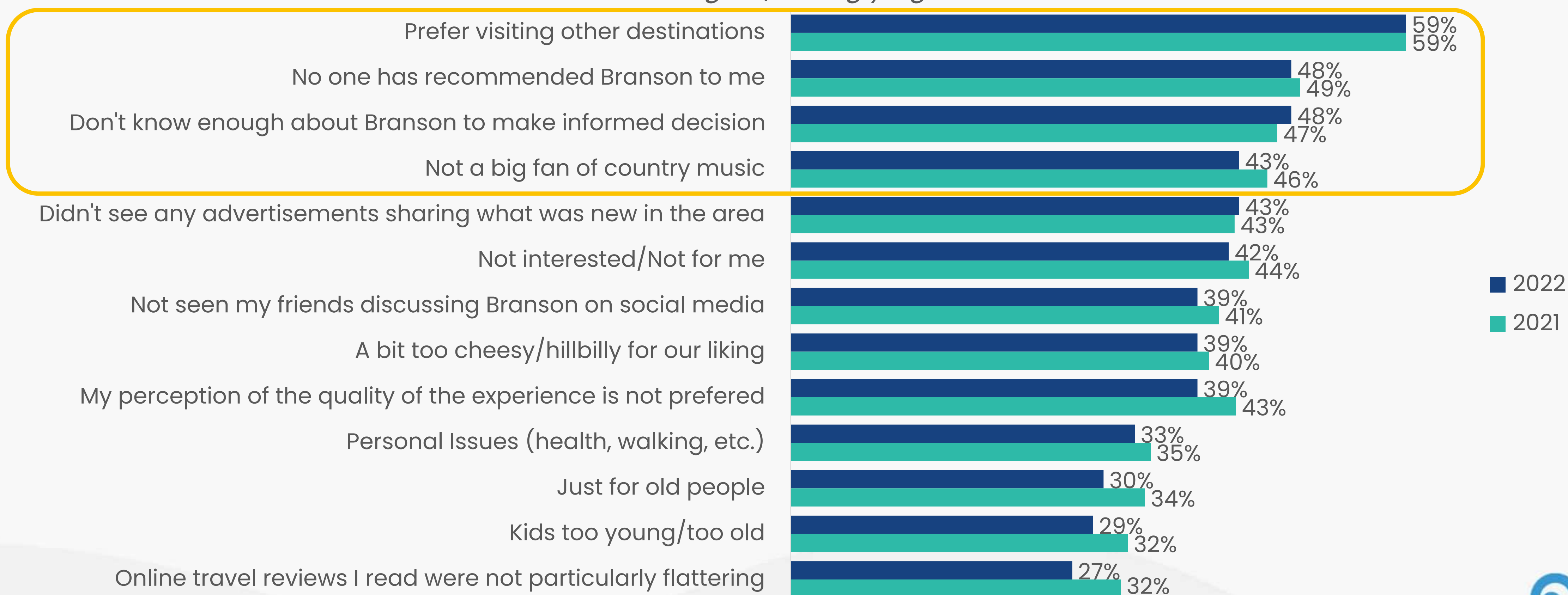
Types of Shows Expect to Find in Branson



The need for fresh/new activities is a common theme among Non-Visitors' biggest barriers, e.g., prefer other places, don't know enough about Branson to make an informed decision, etc.

Stated Barriers to Visiting Branson

% Agree/Strongly Agree



01. KEY PERFORMANCE INDICATORS

02. BRAND HEALTH

03. VISITOR PROFILE

04. NON-VISITORS

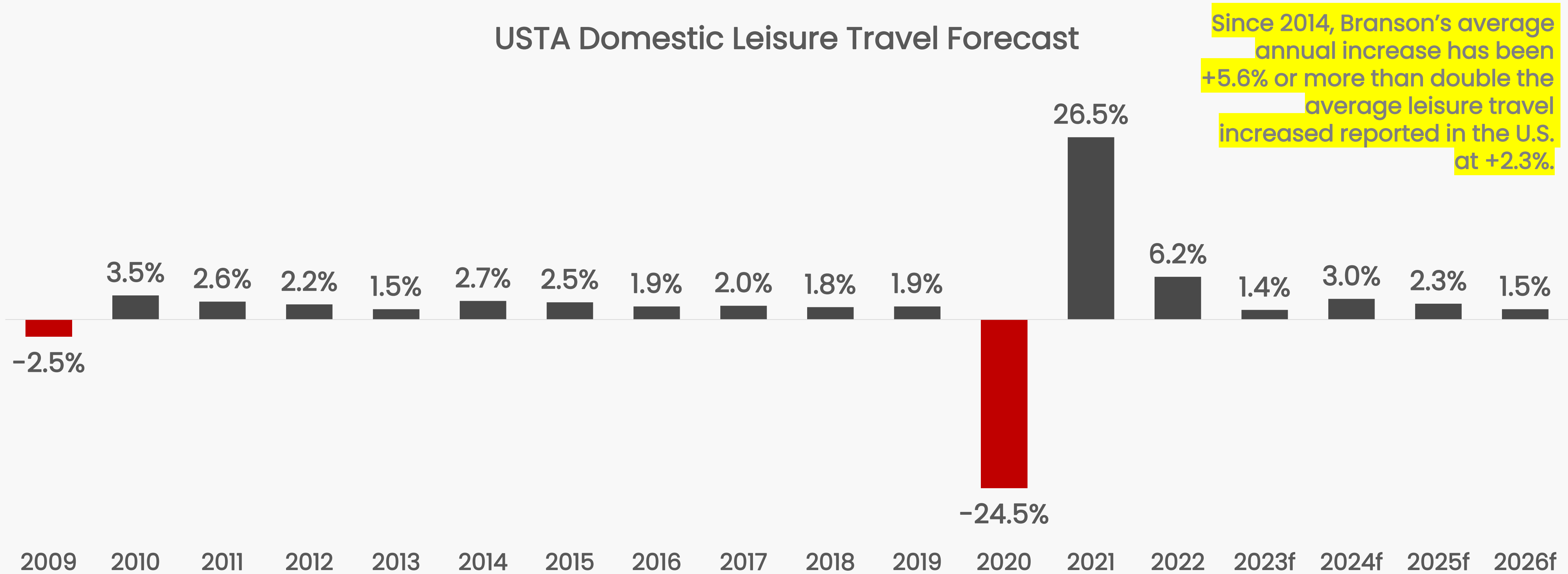
05. Outlook for 2023

06. Appendix

Travel Outlook (U.S. Travel Association)

The U.S. Travel Association reports that leisure travel fell 25% in 2020 and rebounded by 27% in 2021 followed by a 6% increase in 2022. Looking forward, USTA forecasts 2023 will deliver a +1.4% increase in leisure travel.

USTA Domestic Leisure Travel Forecast



Since 2014, Branson's average annual increase has been +5.6% or more than double the average leisure travel increased reported in the U.S. at +2.3%.

Branson	-3.8%	+2.3%	-5.4%	-2.5%	+1.6%	+7.4%	+5.5%	+7.1%	-2.3%	+1.3%	+1.5%	-30.9%	+59.1%
+1.8%													



Leisure travel demand projected to reach 103% of 2019 levels in 2023.

Domestic Travel Forecast

Forecasted in November, 2022



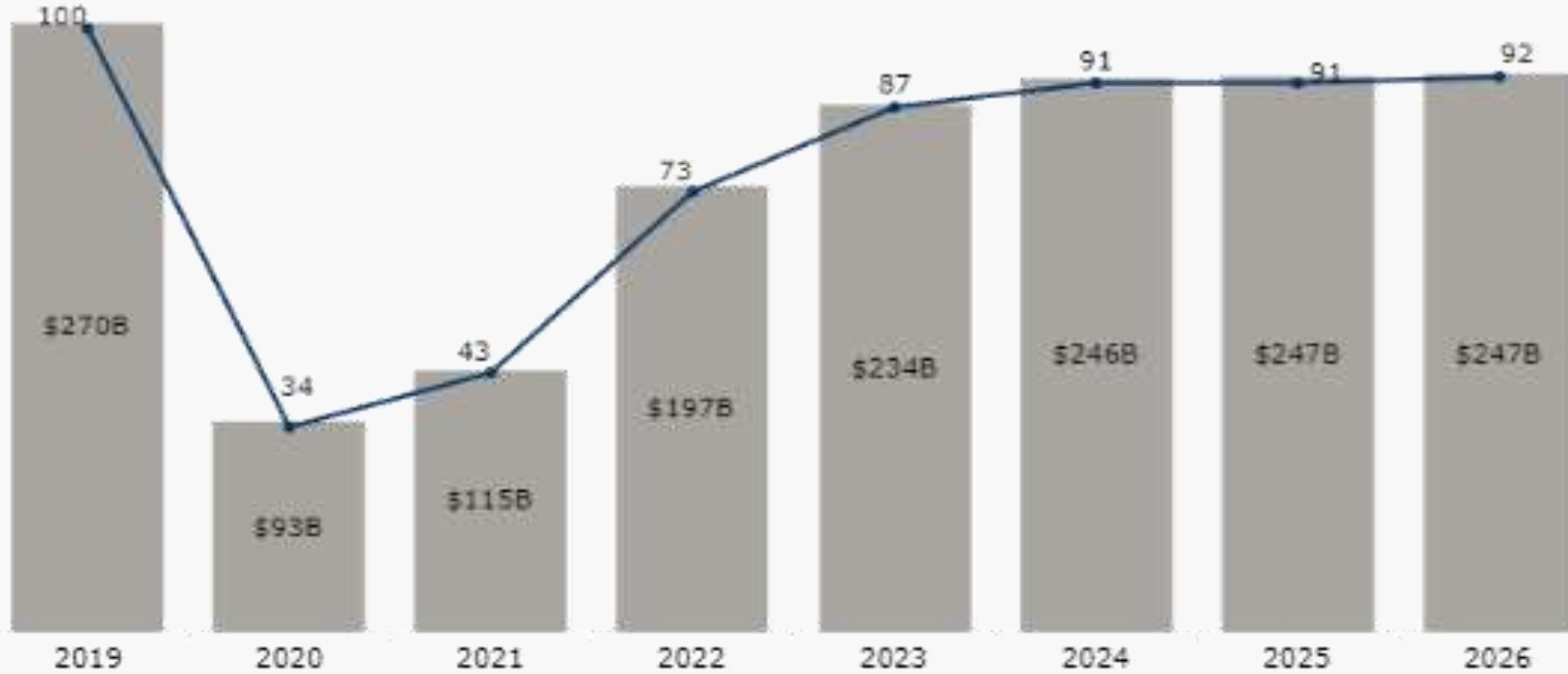
Real Domestic Leisure Travel Spending

Forecasted recovery, relative to 2019 (index, 2019=100)



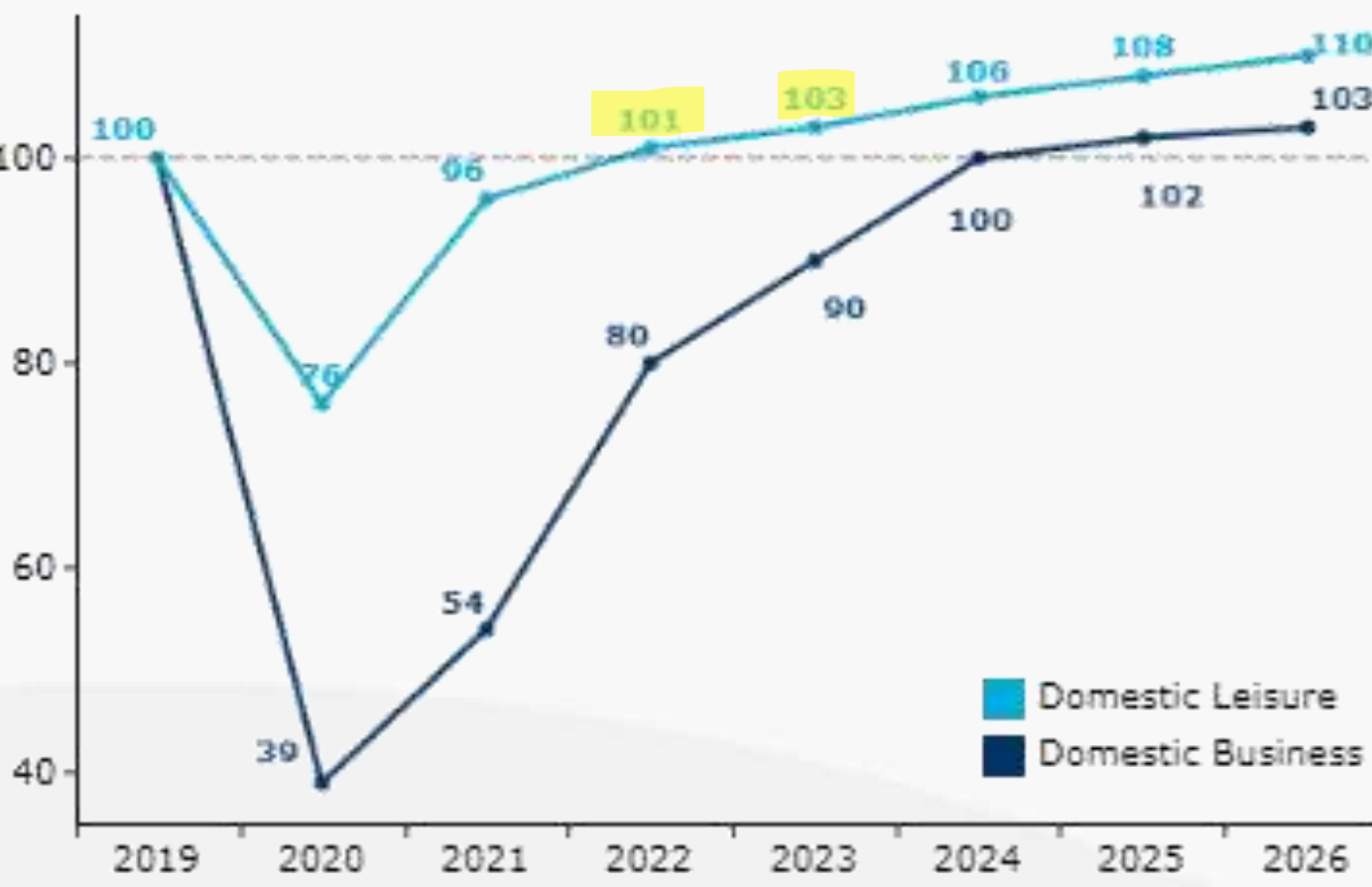
Real Domestic Business Travel Spending

Forecasted recovery, relative to 2019 (index, 2019=100)



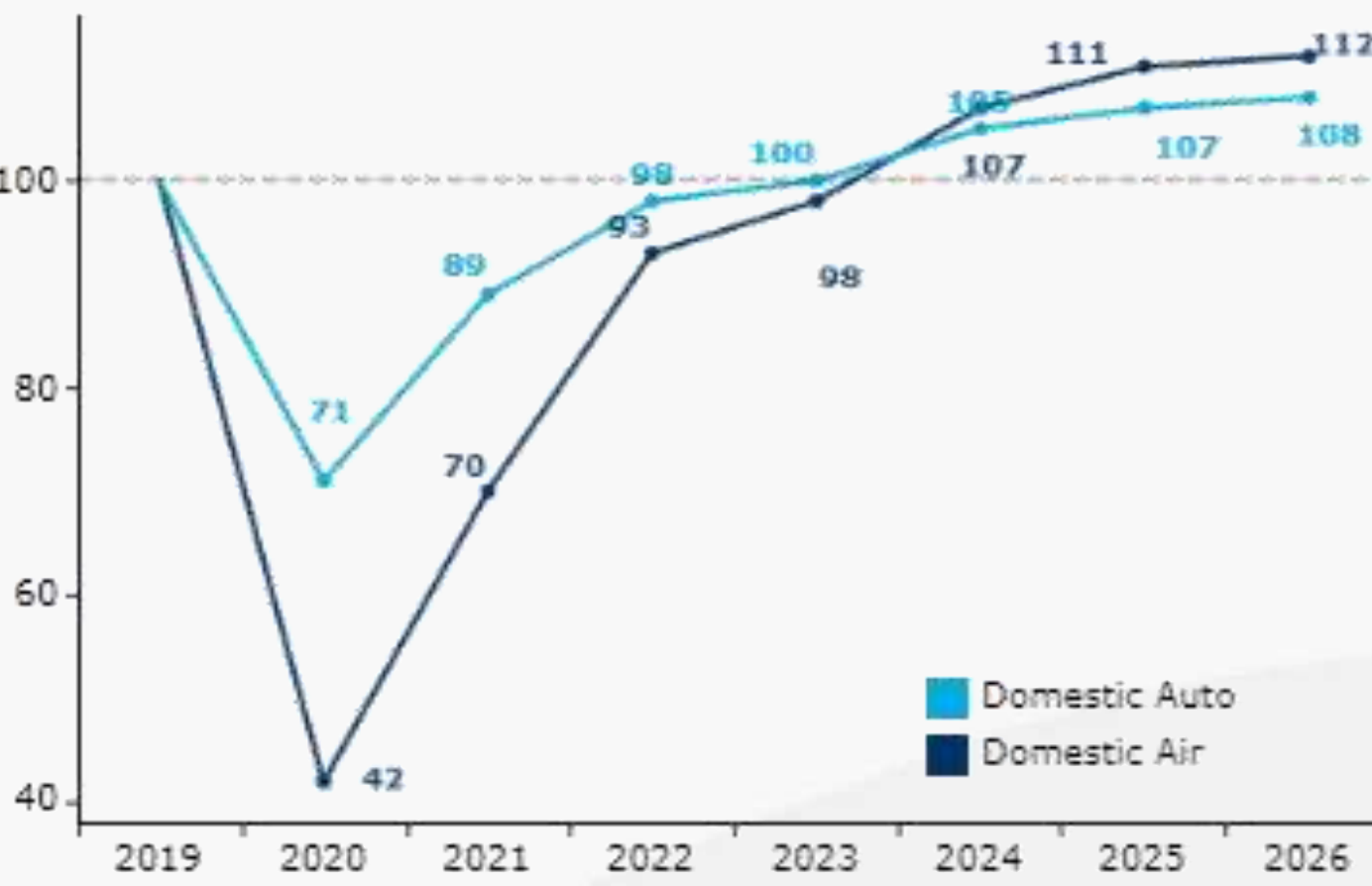
Leisure vs. Business Travel Volume

Forecasted recovery, relative to 2019 (index, 2019=100)



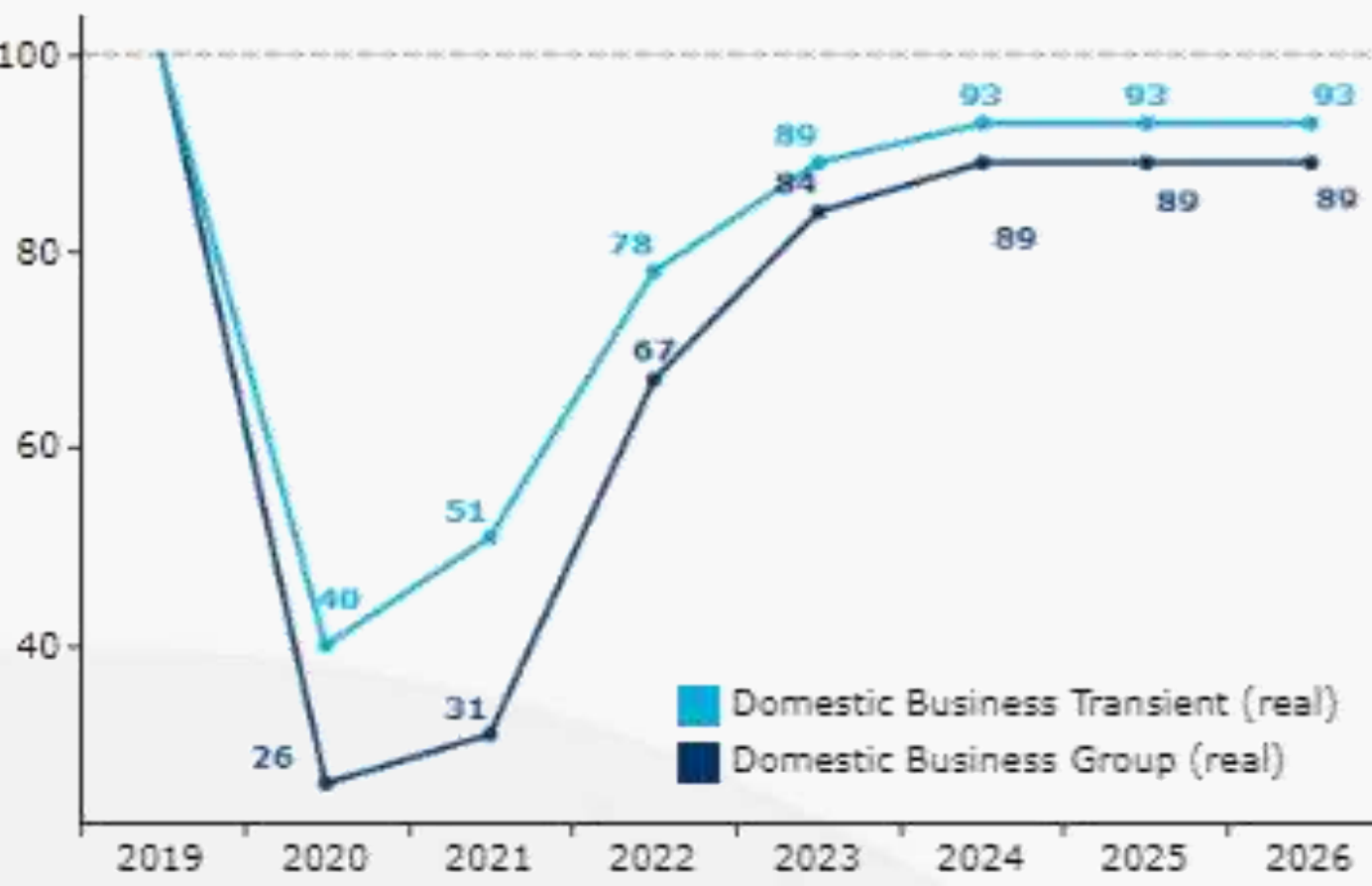
Auto vs. Air Travel Volume

Forecasted recovery, relative to 2019 (index, 2019=100)



Transient vs. Group Business Travel Spending

Forecasted recovery, relative to 2019 (index, 2019=100)



U.S. Hotel Forecast

Forecasted in November, 2022

Insights

The updated forecast released in November by Tourism Economics and STR anticipates weaker economic momentum will temper the travel recovery, but the rebuilding of business travel and the ongoing prioritization of leisure travel is expected to support continued lodging demand growth next year.

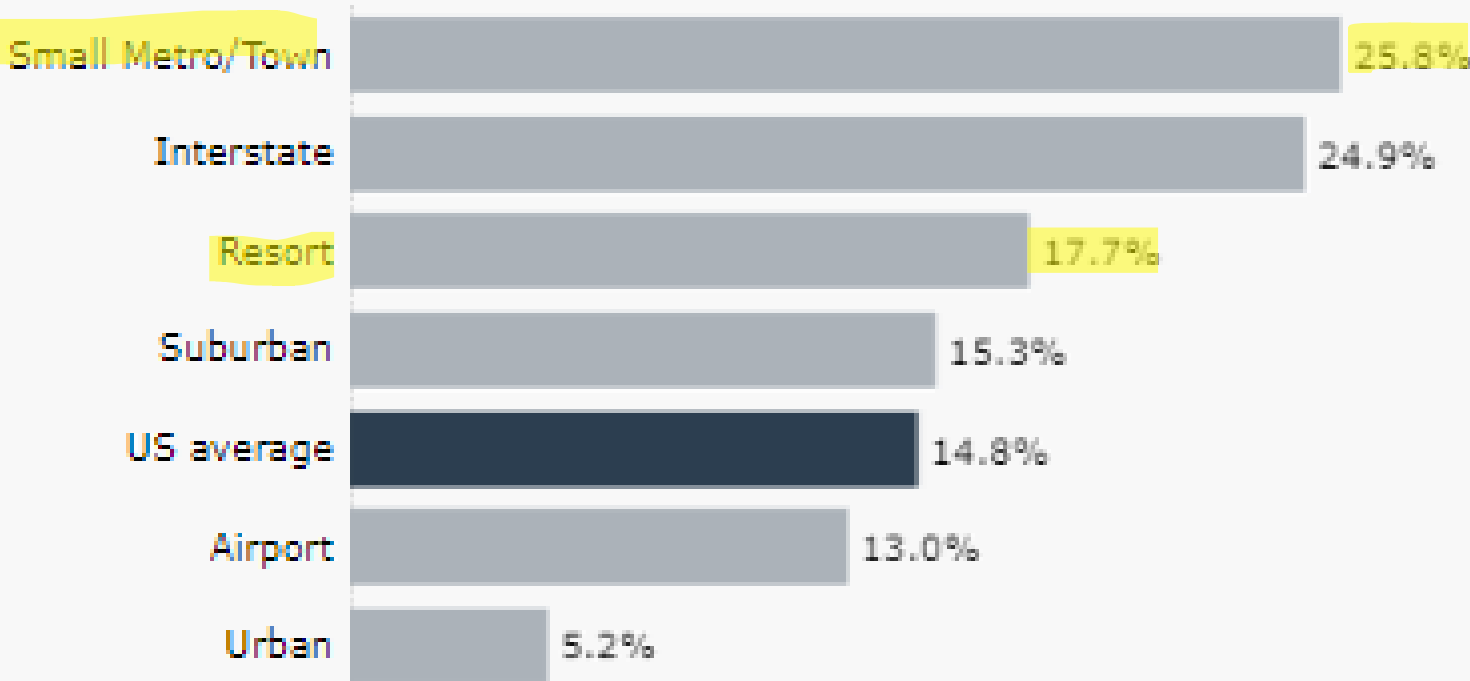
US hotel demand is anticipated to recover to slightly above 2019 levels on an annual basis in 2023.

Hotel average daily rate (ADR) is expected to recover to 15.3% ahead of 2019 levels in 2023. Real ADR, which is adjusted for inflation, is expected to average 3.5% below 2019 levels in 2023.

Overall, hotel RevPAR is expected to improve 29.8% in 2022, followed by 3.4% growth in 2023, as compared to the prior forecast in August that anticipated 29.5% and 5.7% growth, respectively.

U.S. Actual RevPAR Growth by Location

December 2022, % change relative to 2019



Source: STR

U.S. Hotel Forecast Summary

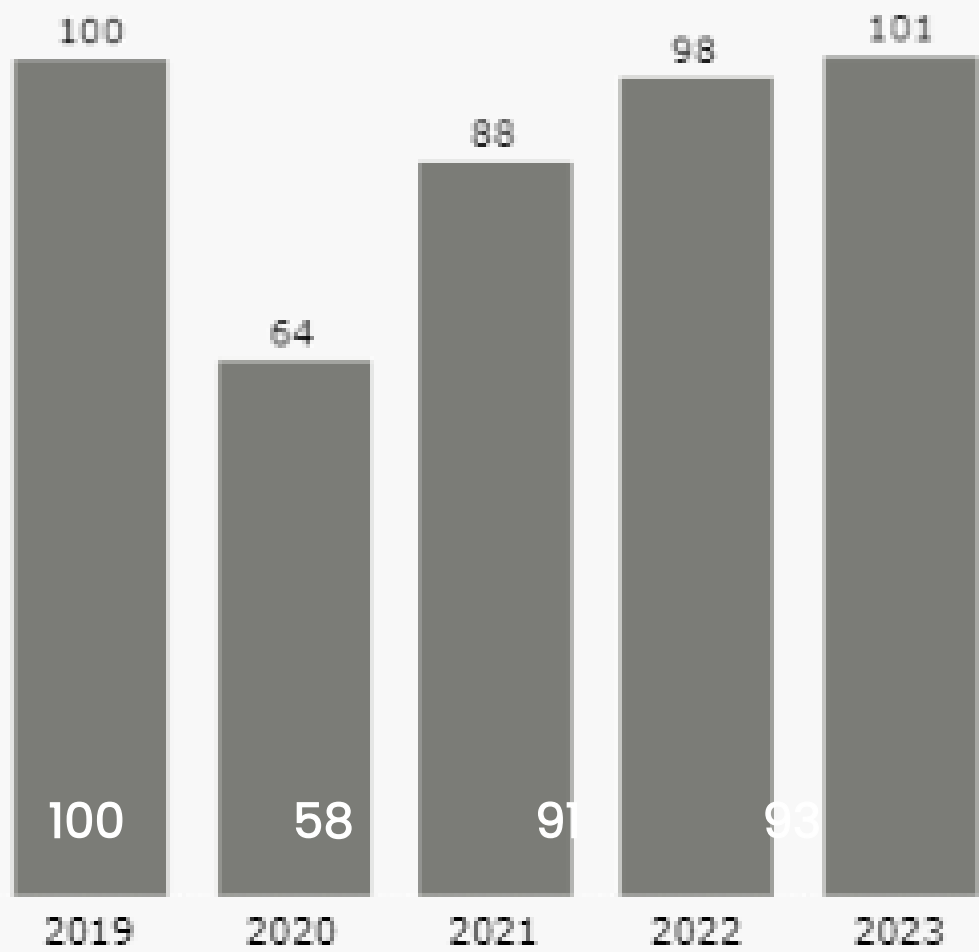
YOY % change, Forecast released November 2022

	2020	2021	2022	2023
Supply	-4.0%	5.0%	2.0%	1.1%
Occupancy	-33.4%	-12.7%	-4.9%	-3.3%
Demand	-36.0%	37.5%	11.2%	2.8%
ADR	-21.1%	20.8%	19.0%	1.7%
RevPAR	-47.4%	58.2%	29.8%	3.4%
RevPAR relative to 2019	-47.4%	-16.8%	7.9%	11.6%

Note: RevPAR reflects standard methodology
Source: STR; Tourism Economics

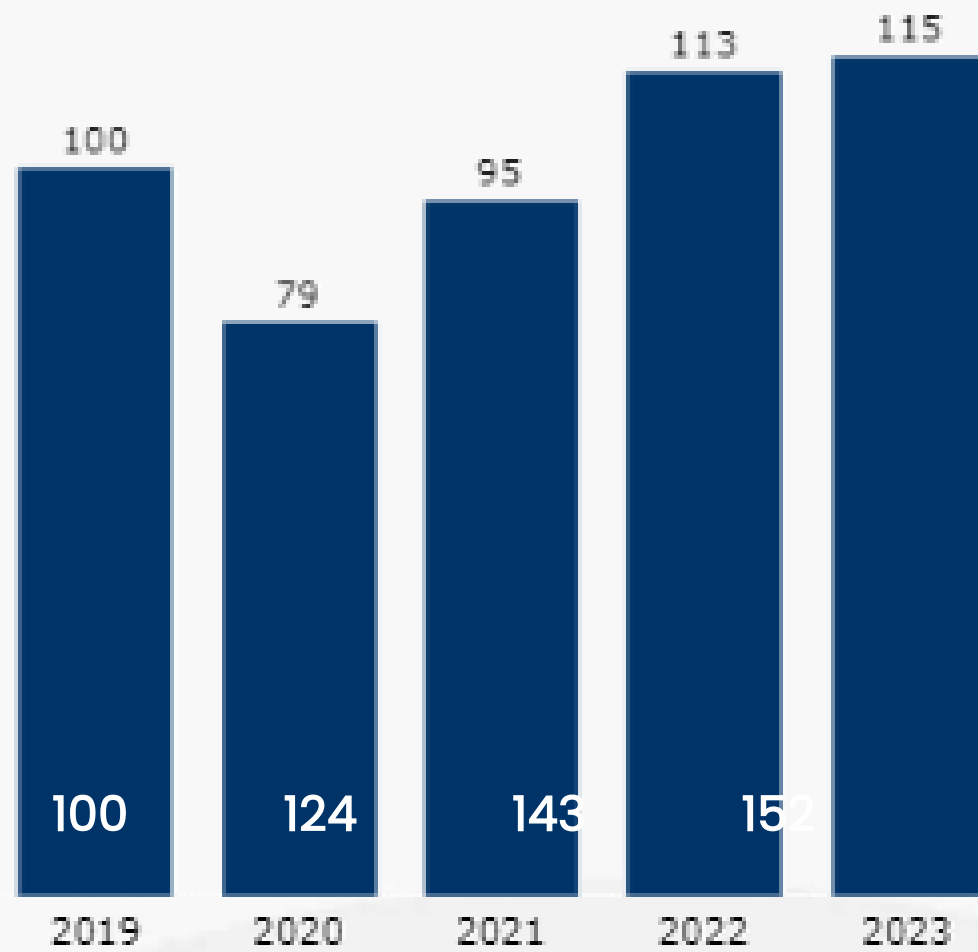
Occupancy Index

Index (2019 = 100)



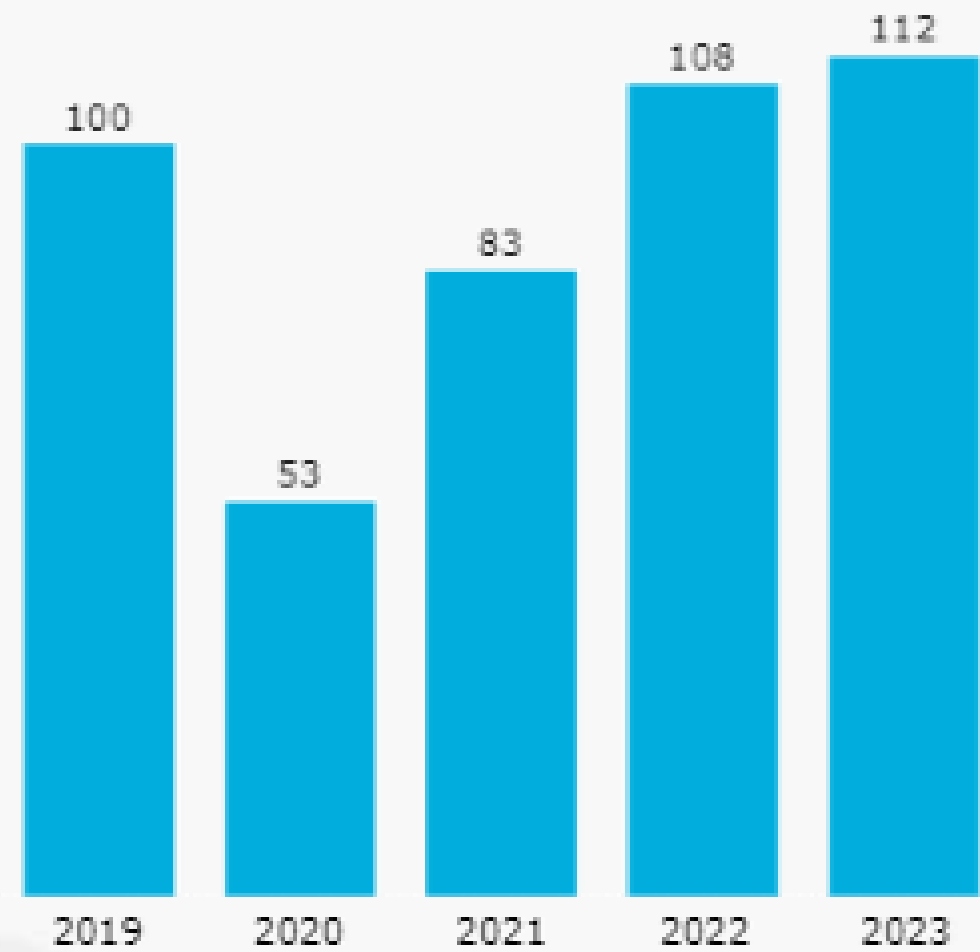
ADR Index

Index (2019 = 100)



RevPAR Index

Index (2019 = 100)



Branson

Note: RevPAR reflects standard methodology
Source: STR; Tourism Economics

Summary

- **Record visitation. Again.** Thanks to increases in Sales Tax the Branson's weighted empirical visitation model estimates a small year-over-year increase again in 2022, topping the 10 million record set just last year and projected to reach 10.2 million.
- **Increased Brand Awareness and Share of Voice.** Familiarity with Branson as a travel destination reached 48% in 2022, up 4 points from 2021. And, likewise, Branson's share of voice (25%) also increased from 23% last year and it now ranks first among the competitive set.
- **Rebound of Outer Market.** Branson's outer markets (301+ miles) declined by 1.9% in 2022 while the core markets (0-100 miles, +5.8%) increased. However, the core market still represents nearly 27% of all visits which is up 11 points over pre-pandemic levels.
- **Live Shows.** Live Shows & Entertainment remain a mainstay in Branson and top the list of brand associations, but in the post-pandemic marketplace Live Shows have fallen to fifth place in engagement behind Shopping, Downtown, Silver Dollar City and Unique Local Restaurants.
- **Visitor Mix.** As first reported in 2021, the new gen pop methodology includes all Branson visitors and not just those patronizing select entertainment venues. As a result, by including all travelers the average age of Branson visitors remains at 45.0 years of age and more than 60% of visitor parties include children. Groups continue to represent a significant minority of visitors (6%) with 30% fueled by Professional Tour Groups, 24% from Churches and 18% from Conventions/Meetings/Corporate.

Research developed for Branson CVB.

Our team loves the magic of data and research. We work until the voice of your customer is clear and you have the answers you need. If you have questions about this report, please let us know.

Email: mbemarkt@h2rmarketresearch.com

Call: 417.880.2487

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